



NEWS RELEASE

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\$14.3 MILLION IN GRANTS AVAILABLE TO EXPAND VALUE-ADDED AGRICULTURAL BUSINESS VENTURES *USDA Places Priority on Renewable Energy Ventures*

LAKEWOOD, CO- Agriculture Secretary Mike Johanns announced the availability of \$14.3 million in grants that will support the development of value-added agriculture business ventures and support President Bush's energy plan to develop alternative sources of renewable energy.

"The Bush Administration is committed to working with rural farmers, ranchers and entrepreneurs to increase their economic opportunities, and to create jobs that boost local economies," said Johanns. "These grants provide America's farmers and ranchers with the investment funds needed to expand their role in developing and marketing value-added products."

"Colorado producers have been successful in getting projects funded the past three years. Under the Bush Administration, 14 projects have been funded in Colorado totaling \$2,069,711. We encourage those interested to apply and contact our office," said Gigi Dennis, State Director, USDA Rural Development. Secretary Johanns said priority consideration will be given to those grant applications that have at least 51% of project costs dedicated to activities for a bio-energy project. To date, the Bush Administration has funded nearly \$20 million in value-added development centers and over \$100 million in value-added grants, including over 80 energy projects. The renewable energy projects involve bio-diesel, ethanol or wind energy production or the use of bio-mass to generate energy.

The Value-Added Producer Grant program was authorized by the Agriculture Risk Protection Act of 2000 (P.L. 106-224) and the 2002 Farm Bill (P.L. 107-171). Grants are available to independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures interested in a competitively-awarded grant to fund one of the following two activities: (1) planning activities needed to establish a viable value-added marketing opportunity for an agricultural product (e.g. conduct a feasibility study, develop a business plan, develop a marketing plan); or (2) acquire working capital to operate a value-added business venture that will allow producers to better compete in domestic and international markets.

Awards will be made on a competitive basis. The maximum amount for planning grants is \$100,000 and \$150,000 for working capital grants. Applications must be received no later than May 6, 2005. Detailed information about application and program requirements can be viewed in the March 7, 2005 publication of the *Federal Register* at <http://www.gpoaccess.gov/fr>. In Colorado, you can contact Dolores Sanchez-Maes, Loan Specialist, USDA Rural Development State Office, @ 720-544-2927 or at dolores.sanchez-maes@co.usda.gov to answer any questions regarding value added agricultural business ventures.

USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting Colorado's web site at <http://www.rurdev.usda.gov/co/index.html>

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